

Adopted	Rejected
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COMMITTEE REPORT

YES:	18
NO:	4

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1695, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 1, delete lines 1 through 17, begin a new paragraph and insert:
- 2 "SECTION 1. IC 6-9-35 IS ADDED TO THE INDIANA CODE AS
- 3 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
- 4 1, 2005]:
- 5 **Chapter 35. Special Retail District Incremental Gross Retail Tax**
- 6 **Sec. 1. Except as otherwise provided in this chapter, the**
- 7 **definitions in IC 6-2.5-1 apply throughout this chapter.**
- 8 **Sec. 2. As used in this chapter, "fiscal body" has the meaning set**
- 9 **forth in IC 36-1-2-6.**
- 10 **Sec. 3. As used in this chapter, "fiscal officer" has the meaning**
- 11 **set forth in IC 36-1-2-7.**
- 12 **Sec. 4. As used in this chapter, "gross retail income" has the**
- 13 **meaning set forth in IC 6-2.5-1-5, except that the term does not**
- 14 **include taxes imposed under IC 6-2.5 or IC 6-9.**
- 15 **Sec. 5. (a) Subject to subsections (b) and (c), the fiscal body of a**

1 county containing a consolidated city may adopt an ordinance
2 designating an area in the county as a special retail district.

3 (b) A special retail district designated under subsection (a) must
4 meet the following requirements:

5 (1) The district may not exceed four hundred (400) acres.

6 (2) The district must be established for the purpose of
7 undertaking a project, or a series of projects, that involve a
8 total capital commitment in excess of one hundred twenty-five
9 million dollars (\$125,000,000).

10 (3) The fiscal body must make a finding that:

11 (A) the total capital investment for the project, or series of
12 projects, will be in excess of five hundred million dollars
13 (\$500,000,000) at the completion of the project, or series of
14 projects; and

15 (B) the project would not otherwise be accomplished
16 through the ordinary operations of private investment
17 because of the unique quality and scope of the project or
18 series of projects.

19 (c) The fiscal body may adopt an ordinance under subsection (a)
20 only after January 1 but before April 1 of a year.

21 (d) If the fiscal body adopts an ordinance under subsection (a),
22 it shall immediately send a certified copy of the ordinance to the
23 commissioner of the department of state revenue.

24 Sec. 6. (a) If the fiscal body of a county containing a consolidated
25 city adopts an ordinance designating a special retail district under
26 section 5 of this chapter, a one percent (1%) incremental gross
27 retail tax is imposed on the transactions described in section 7 of
28 this chapter that occur within the district.

29 (b) The incremental gross retail tax imposed by subsection (a):

30 (1) takes effect July 1 following the adoption of the ordinance
31 under section 5 of this chapter; and

32 (2) is in addition to any other tax imposed on the transactions
33 described in section 7 of this chapter.

34 Sec. 7. (a) Except as provided in subsection (b), the incremental
35 gross retail tax imposed by section 6 of this chapter applies to all
36 retail transactions that occur within the special retail district
37 designated under section 5 of this chapter.

38 (b) The incremental gross retail tax does not apply to a

1 transaction to the extent that the transaction is exempt from the
2 state gross retail tax under IC 6-2.5.

3 Sec. 8. (a) The incremental gross retail tax imposed by section 6
4 of this chapter is imposed only on the gross retail income derived
5 from retail transactions.

6 (b) A person who receives goods or services in a retail
7 transaction that is taxed under this chapter is liable for the
8 incremental gross retail tax. The person shall pay the tax to the
9 retail merchant as a separate amount added to the consideration
10 for the goods or services. The retail merchant shall collect the tax
11 as an agent for the state and the county.

12 (c) Except as otherwise provided in this chapter, the incremental
13 gross retail tax shall be imposed, paid, and collected in the same
14 manner in which the state gross retail tax is imposed, paid, and
15 collected under IC 6-2.5. However, the return to be filed for the
16 payment of the tax may be either a separate return or may be
17 combined with the return filed for the payment of the state gross
18 retail tax, as prescribed by the department of state revenue.

19 Sec. 9. (a) The amounts received from the incremental gross
20 retail tax shall be paid monthly by the treasurer of the state to the
21 fiscal officer of the county containing a consolidated city upon
22 warrants issued by the auditor of state.

23 (b) The amounts received by the county fiscal officer under
24 subsection (a) shall be deposited into a special fund.

25 (c) Money in the special fund may be used by the metropolitan
26 development commission for any purpose for which property taxes
27 allocated to a redevelopment district under IC 36-7-15.1-26 may be
28 expended, including the payment of debt service or lease rentals
29 and the establishment and maintenance of a debt service reserve.

30 Sec. 10. (a) Subject to subsection (c), the fiscal body of a county
31 containing a consolidated city may after January 1 but before April
32 1 of a year adopt an ordinance to rescind the designation of a
33 special retail district.

34 (b) If the fiscal body adopts an ordinance under subsection (a):

35 (1) the special retail district is abolished July 1 following the
36 adoption of the ordinance; and

37 (2) the incremental gross retail tax is rescinded effective July
38 1 following the adoption of the ordinance.

1 (c) The fiscal body may not adopt an ordinance rescinding the
2 designation of a district if there are bonds outstanding or leases or
3 other obligations payable from the incremental gross retail tax
4 under this chapter.

5 (d) If the fiscal body adopts an ordinance under subsection (a),
6 it shall immediately send a certified copy of the ordinance to the
7 commissioner of the department of state revenue."

8 Delete pages 2 through 6.

9 Renumber all SECTIONS consecutively.

(Reference is to HB 1695 as printed February 18, 2005.)

and when so amended that said bill do pass.

Representative Espich